

## APPENDIX G - FINANCIAL DOCUMENTATION

### APPENDIX G-1 COMPOSITE OVERVIEW COST NEUTRALITY FORMULA

INSTRUCTIONS: Complete one copy of this Appendix for each level of care in the waiver. If there is more than one level (e.g. hospital and nursing facility), complete an Appendix reflecting the weighted average of each formula value and the total number of unduplicated individuals served.

LEVEL OF CARE: ICF-MR (MR/DD)

PER CAPITA COSTS FOR:

YEAR	FACTOR D (Waiver Services*)	FACTOR D' (State Plan Services)	FACTOR G (Institutional Care)	FACTOR G' (State Plans)
1	32,453	8,491	67,650	2,933
2	33,717	8,930	69,352	3,008
3	35,078	9,389	71,096	3,086

\* "Waiver services" reflect state and federal costs only, after any beneficiary cost-sharing has been subtracted from the total cost of services.

NUMBER OF UNDUPLICATED INDIVIDUALS SERVED

YEAR	UNDUPLICATED INDIVIDUALS
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1	<u>3,477</u>
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2	<u>3,832</u>
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3	<u>4,187</u>
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Check one:

☐ The State will make waiver services available to the target group up to the number of unduplicated individuals estimated for each waiver year.

☒ The State will make waiver services available to the target group up to the lesser of the number of unduplicated individuals estimated for each waiver year, or the number authorized by the State legislature for that time period.

The State will inform HCFA in writing of any limit which is less than factor C for that waiver year.

APPENDIX G-2

METHODOLOGY FOR DERIVATION OF FORMULA VALUES

FACTOR D

LOC: ICF-MR

The July 25, 1994 final regulation defines Factor D as:

"The estimated annual average per capita Medicaid cost for home and community-based services for individuals in the waiver program."

The demonstration of Factor D estimates is on the following page.

(See also worksheets in Attachment G-2)

# Family Care MR / DD

## APPENDIX G-2

### FACTOR D

LOC: ICF-MR

Demonstration of Factor D estimates<sup>1</sup>:

Waiver Year 1 X 2\_\_ 3\_\_

Waiver Service as defined in Appendix B-1	#Unduplicated Individuals (users) (expressed as whole numbers)	Average # Annual Units/User (Specify units)	Average Unit Cost	Cost/Unit (Specify units)	Total
Column A	Column B	Column C	Column D		Column E
1. <b>Case Management</b>	3,477	29.3512	39.6918	Hours	\$ 4,050,712
2. <b>Supportive Home Care</b>					
SHC Personal Care	865	512.9480	14.3068	Hours	\$ 6,347,927
SHC Supervision	155	720.0000	14.3086	Hours	\$ 1,596,840
SHC Routine Home Care Services	1,341	489.5600	10.9150	Hours	\$ 7,165,697
SHC Chore Services	1,341	55.2610	10.9208	Hours	\$ 809,286
3. <b>Respite Care</b>	710	282.1155	9.9328	Hours	\$ 1,989,560
4. <b>Adult Day Care</b>	261	400.0000	17.8485	Hours	\$ 1,863,383
5. <b>Habilitation</b>					
Day Services	1,798	642.0000	12.9699	Hours	\$ 14,971,363
Prevocational Services	651	628.0000	8.1310	Hours	\$ 3,324,180
Supported Employment	486	379.1276	27.8067	Hours	\$ 5,123,552
Daily Living Skills Training	1,052	341.3146	23.5550	Hours	\$ 8,457,728
6. <b>Home Modifications</b>	110	1.0000	2,538.2218	Projects	\$ 279,204
7. <b>Transportation (Specialized Transp.)</b>	1,324	313.9305	4.9599	Trips	\$ 2,061,553
8. <b>Personal Emerg Response System</b>	85	10.8118	27.8692	None	\$ 25,612
9. <b>Residential Services</b>					
Adult Family Home 1-2 beds	285	330.0000	128.9058	Days	\$ 12,123,590
Adult Family Home 3-4 beds	274	330.0000	108.9780	Days	\$ 9,853,791
Community-Based Residential Facility	1,350	340.0000	60.0403	Days	\$ 27,558,498
Residential Care Apartment Complex	10	330.0000	84.2880	Days	\$ 278,150
Children's Foster/Treatment Homes	99	330.0000	92.2172	Days	\$ 3,012,736
10. <b>Adaptive Aids</b>	230	3.0348	412.5521	Items	\$ 287,963
11. <b>Communication Aids</b>	22	9.5000	82.2844	Items	\$ 17,197
12. <b>Consumer Directed Supports</b>	40	11.0000	2,875.5909	Months	\$ 1,265,260
13. <b>Consumer Education and Training</b>	20	8.0000	180.5175	Hours	\$ 28,883
14. <b>Counseling/Therapeutic Resources</b>	251	17.7849	74.5248	Hours	\$ 332,679
15. <b>Housing Counseling</b>	19	17.0526	46.1560	Hours	\$ 14,955
GRAND TOTAL (sum of Column E):					\$112,840,300
TOTAL ESTIMATED UNDUPLICATED INDIVIDUALS:					3,477
FACTOR D (Divide grand total of Column E by number of unduplicated individuals):					\$32,453.3506

AVERAGE LENGTH OF STAY ON WAIVER: 341 (not to exceed 365 days)

<sup>1</sup> Estimated costs are reduced by the estimated amount of participant cost sharing.

# Family Care MR / DD

## APPENDIX G-2

### FACTOR D

LOC: ICF-MR

Demonstration of Factor D estimates<sup>1</sup>:

Waiver Year 1      2 X 3     

Waiver Service as defined in Appendix B-1	#Unduplicated Individuals (users) (expressed as whole numbers)	Average # Annual Units/User (Specify units)	Average Unit Cost	Cost/Unit (Specify units)	Total
Column A	Column B	Column C	Column D		Column E
1. <b>Case Management</b>	3,832	29.2171	40.9282	Hours	\$ 4,582,318
2. <b>Supportive Home Care</b>					
SHC Personal Care	1,112	511.8345	14.7524	Hours	\$ 8,396,475
SHC Supervision	171	720.0000	14.7537	Hours	\$ 1,816,476
SHC Routine Home Care Services	1,485	524.9697	11.2547	Hours	\$ 8,773,939
SHC Chore Services	1,485	55.3131	11.2590	Hours	\$ 924,814
3. <b>Respite Care</b>	852	280.1866	10.2389	Hours	\$ 2,444,220
4. <b>Adult Day Care</b>	284	400.0000	18.4089	Hours	\$ 2,091,251
5. <b>Habilitation</b>					
Day Services	1,943	642.0000	13.3771	Hours	\$ 16,686,675
Prevocational Services	715	628.0000	8.3863	Hours	\$ 3,765,616
Supported Employment	520	379.5769	28.6788	Hours	\$ 5,660,621
Daily Living Skills Training	1,153	339.8630	24.2928	Hours	\$ 9,519,426
6. <b>Home Modifications</b>	131	1.0000	2,524.2978	Projects	\$ 330,683
7. <b>Transportation (Specialized Transp.)</b>	1,535	310.9186	5.1153	Trips	\$ 2,441,328
8. <b>Personal Emerg Response System</b>	104	10.7212	28.7245	None	\$ 32,028
9. <b>Residential Services</b>					
Adult Family Home 1-2 beds	309	330.0000	132.9530	Days	\$ 13,557,217
Adult Family Home 3-4 beds	298	330.0000	112.3965	Days	\$ 11,053,072
Community-Based Residential Facility	1,465	340.0000	61.9253	Days	\$ 30,844,992
Residential Care Apartment Complex	11	330.0000	86.9303	Days	\$ 315,557
Children's Foster/Treatment Homes	107	330.0000	95.1126	Days	\$ 3,358,426
10. <b>Adaptive Aids</b>	280	2.8214	454.6203	Items	\$ 359,146
11. <b>Communication Aids</b>	24	9.2500	85.8184	Items	\$ 19,052
12. <b>Consumer Directed Supports</b>	55	11.0000	2,965.8753	Months	\$ 1,794,355
13. <b>Consumer Education and Training</b>	22	8.0000	185.1348	Hours	\$ 32,584
14. <b>Counseling/Therapeutic Resources</b>	281	17.7367	76.8118	Hours	\$ 382,831
15. <b>Housing Counseling</b>	26	16.7692	47.1699	Hours	\$ 20,566
GRAND TOTAL (sum of Column E):					\$129,203,668
TOTAL ESTIMATED UNDUPLICATED INDIVIDUALS:					3,832
FACTOR D (Divide grand total of Column E by number of unduplicated individuals):					\$33,717.0324

AVERAGE LENGTH OF STAY ON WAIVER: 341 (not to exceed 365 days)

<sup>1</sup> Estimated costs are reduced by the estimated amount of participant cost sharing.

# Family Care MR / DD

## APPENDIX G-2

### FACTOR D

LOC: ICF-MR

Demonstration of Factor D estimates<sup>1</sup>:

Waiver Year 1    2    3 X

Waiver Service as defined in Appendix B-1	#Unduplicated Individuals (users) (expressed as whole numbers)	Average # Annual Units/User (Specify units)	Average Unit Cost	Cost/Unit (Specify units)	Total
Column A	Column B	Column C	Column D		Column E
1. <b>Case Management</b>	4,187	29.1029	42.1857	Hours	\$ 5,140,490
2. <b>Supportive Home Care</b>					
SHC Personal Care	1,260	508.5714	15.2047	Hours	\$ 9,743,171
SHC Supervision	190	720.0000	15.2071	Hours	\$ 2,080,331
SHC Routine Home Care Services	1,622	522.5401	11.6003	Hours	\$ 9,831,951
SHC Chore Services	1,622	55.3637	11.6063	Hours	\$ 1,042,245
3. <b>Respite Care</b>	944	278.0752	10.5567	Hours	\$ 2,771,165
4. <b>Adult Day Care</b>	307	400.0000	18.9713	Hours	\$ 2,329,676
5. <b>Habilitation</b>					
Day Services	2,086	642.0000	13.7858	Hours	\$ 18,462,109
Prevocational Services	770	628.0000	8.6425	Hours	\$ 4,179,167
Supported Employment	556	378.1906	29.5556	Hours	\$ 6,214,773
Daily Living Skills Training	1,254	338.4498	25.0362	Hours	\$ 10,625,765
6. <b>Home Modifications</b>	146	1.0000	2,574.6251	Projects	\$ 375,895
7. <b>Transportation (Specialized Transp.)</b>	1,710	309.4503	5.2722	Trips	\$ 2,789,837
8. <b>Personal Emerg Response System</b>	117	10.6923	29.6293	None	\$ 37,066
9. <b>Residential Services</b>					
Adult Family Home 1-2 beds	334	340.0000	137.0152	Days	\$ 15,559,446
Adult Family Home 3-4 beds	322	340.0000	115.8306	Days	\$ 12,681,134
Community-Based Residential Facility	1,586	340.0000	65.7794	Days	\$ 35,470,884
Residential Care Apartment Complex	12	340.0000	89.5863	Days	\$ 365,512
Children's Foster/Treatment Homes	116	340.0000	98.0186	Days	\$ 3,865,854
10. <b>Adaptive Aids</b>	323	2.7183	485.8098	Items	\$ 426,546
11. <b>Communication Aids</b>	28	8.8571	90.2867	Items	\$ 22,391
12. <b>Consumer Directed Supports</b>	70	11.0000	3,056.4935	Months	\$ 2,353,500
13. <b>Consumer Education and Training</b>	25	8.0000	190.8782	Hours	\$ 38,176
14. <b>Counseling/Therapeutic Resources</b>	312	17.6923	79.2005	Hours	\$ 437,187
15. <b>Housing Counseling</b>	32	16.9375	48.7082	Hours	\$ 26,400
GRAND TOTAL (sum of Column E):					\$146,870,671
TOTAL ESTIMATED UNDUPLICATED INDIVIDUALS:					4,187
FACTOR D (Divide grand total of Column E by number of unduplicated individuals):					\$35,077.7815

AVERAGE LENGTH OF STAY ON WAIVER: 341 (not to exceed 365 days)

<sup>1</sup> Estimated costs are reduced by the estimated amount of participant cost sharing.

APPENDIX G-3

METHODS USED TO EXCLUDE PAYMENTS FOR ROOM AND BOARD

Section 1915(c)(1) of the Act specifies that room and board may not be included in Medicaid payment for the cost of home and community-based services.

The purpose of this Appendix is to demonstrate that Medicaid does not pay the cost of room and board furnished to an individual under the waiver.

- A. The following service(s), other than respite care\*, are furnished in residential settings other than the natural home of the individual (e.g., foster homes, group homes, supervised living arrangements, assisted living facilities, personal care homes, or other types of congregate living arrangements). (Specify):

None of the services provided in this waiver have a room and board component.

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(Please check)

X Attached is an explanation of the method used by the State to exclude Medicaid payment for room and board. See Attachment G-3. A.

- B. The following service(s) are furnished in the home of a paid caregiver. (Specify):

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(Please check)

       Attached is an explanation of the method used by the State to exclude Medicaid payment for room and board.

\*NOTE: FFP may be claimed for the cost of room and board when provided as part of respite care in a Medicaid certified NF or ICF/MR, or when it is provided in a foster home or community residential facility that meets State standards specified in this waiver.)

APPENDIX G-4

METHODS USED TO MAKE PAYMENT FOR RENT AND FOOD EXPENSES OF AN UNRELATED LIVE-IN PERSONAL CAREGIVER

Section 1915(c)(1) of the Act permits the portion of costs of rent and food attributable to an unrelated live-in personal caregivers to be included in Medicaid payment for the cost of home and community-based services.

Check one:

☐ The State will not reimburse for the rent and food expenses of an unrelated live-in personal caregiver who lives with the individual(s) served on the waiver.

☒ The State will reimburse for the additional costs of rent and food attributable to an unrelated live-in personal caregiver who lives in the home or residence of the individual served on the waiver.

The service cost of the live-in personal caregiver and the costs attributable to rent and food are reflected separately in the computation of factor D (cost of waiver services) in Appendix G-2 of this waiver request.

(Please check)

☒ Attached is an explanation of the method used by the State to apportion the additional costs of rent and food attributable to the unrelated live-in personal caregiver that are incurred by the individual served on the waiver. See Attachment G-4.



APPENDIX G-5

FACTOR D'

LOC: ICF-MR

NOTICE: On July 25, 1994, HCFA published regulations which changed the definition of factor D'. The new definition is:

"The estimated annual average per capita Medicaid cost for all other services provided to individuals in the waiver program."

Factor D' includes the following:

(Please check)

- ☒ The cost of all State plan services (including home health, expanded EPSDT, personal care, and adult day health care) furnished in addition to waiver services **WHILE THE INDIVIDUAL WAS ON THE WAIVER.**
- ☒ The cost of short-term institutionalization (hospitalization, NF, or ICF/MR) which began **AFTER** the person's first day of waiver services and ended **BEFORE** the end of the waiver year **IF THE PERSON RETURNED TO THE WAIVER.**

The calculation of Factor D' excludes the following:

(Please check)

- ☒ The costs of institutional care for persons who did **NOT** return to the waiver following institutionalization.
- ☒ Institutional costs incurred for individuals **BEFORE** they are first served under the waiver during the waiver year.
- ☒ Institutional respite care when provided as a service under this waiver. (Costs for such care are included, under Factor D, and are not duplicated in the calculation of Factor D'.

APPENDIX G-5

FACTOR D' (cont.)

LOC: ICF-MR

Factor D' as defined in 42 CFR 441.303(f) is computed as follows (check one):

☐ Based on HCFA Form 2082 (relevant pages and explanation of computations attached).

☐ Based on HCFA Form 372 or 372(S) for years \_\_\_\_ of waiver  
# \_\_\_\_, which serves the same target population.

☐ Based on a statistically valid sample of paid claims for individuals with the disease or condition  
specified in item 3 of this request. (Attached)

☒ Other data sources (specify):

Based on HCFA Form 372 or 372(S) for 1999 using trending factor certified by the  
Department's actuarial consultant. See Attachment G-5.  
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APPENDIX G-6

FACTOR G

LOC: ICF-MR

The July 25, 1994 final regulation defines Factor G as:

"The estimated annual average per capita Medicaid cost for hospital, NF, or ICF/MR care that would be incurred for individuals served in the waiver, were the waiver not granted."

Provide data ONLY for the level(s) of care indicated in item 2 of this waiver request.

Factor G is computed as follows:

(Please check)

☐ Based on institutional costs shown on the 3 most recent, consecutive HCFA Form 2082s trended forward. Attached are the relevant pages and explanation of computations.

☐ Based on trends shown by HCFA Form 372 for years \_\_\_\_ of waiver #\_\_\_\_, which reflect costs for the same institutionalized population at this LOC. Attached is an explanation of any adjustments made to these numbers.

☐ Attached is an explanation of computation for trending.

☐ Based on a statistically valid random sample of paid claims for individuals institutionalized with this disease or condition at this LOC.

☐ Attached is a summary listing of the sample of paid claims and relevant computations.

☐ Based on State DRGs for the disease(s) or condition(s) indicated in item 3 of this request, plus outlier days.

☐ Attached are descriptions, computations, and an explanation of any adjustments for trending are attached to this Appendix.

☒ Other data sources (specify):

Based on HCFA Form 372 or 372S for 1999 using trending factor certified by the  
Department's actuarial consultant. See Attachment G-5.

When institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor G.

APPENDIX G-7

FACTOR G'

LOC: ICF-MR

Factor G' is defined as:

The estimated annual average per capita Medicaid costs for all Medicaid services other than those included in Factor G for institutionalized individuals served in the waiver, were the waiver not granted.

Factor G' includes the following:

(Please check)

  X   The cost of all State plan services furnished WHILE THE INDIVIDUAL WAS INSTITUTIONALIZED.

  X   The cost of short-term hospitalization (furnished with the expectation that the person would return to the institution) which began AFTER the person's first day of institutional services.

When institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor G'.

APPENDIX G-7

FACTOR G'

LOC: ICF-MR

Factor G' is computed as follows (check one):

☐ Based on HCFA Form 2082 (relevant pages attached).

☐ Based on HCFA Form 372 for B= for years \_\_\_\_ of waiver  
# \_\_\_\_, which serves the same population at the LOC.

☐ Based on a statistically valid, random sample of actual paid claims for individuals with the  
disease or condition specified in item 3 of this request.

☒ Other data sources (specify):

Based on HCFA Form 372 or 372(S) for 1999 using trending factor certified by the  
Department's actuarial consultant. See Attachment G-5.

Family Care MR / DD

APPENDIX G-8

DEMONSTRATION OF COST NEUTRALITY

LOC: ICF-MR

YEAR 1

FACTOR D:	<u>32,453</u>		FACTOR G:	<u>67,650</u>
FACTOR D':	<u>8,491</u>		FACTOR G':	<u>2,933</u>
TOTAL:	<u>40,944</u>	≤	TOTAL:	<u>70,583</u>

YEAR 2

FACTOR D:	<u>33,717</u>		FACTOR G:	<u>69,352</u>
FACTOR D':	<u>8,930</u>		FACTOR G':	<u>3,008</u>
TOTAL:	<u>42,647</u>	≤	TOTAL:	<u>72,360</u>

YEAR 3

FACTOR D:	<u>35,078</u>		FACTOR G:	<u>71,096</u>
FACTOR D':	<u>9,389</u>		FACTOR G':	<u>3,086</u>
TOTAL:	<u>44,467</u>	≤	TOTAL:	<u>74,182</u>